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The Housing Problem in Germany

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THE housing problem is gradually producing a critical situation in Germany which may have much more serious consequences than in other countries. In the latter, despite the acute suffering from inadequate housing facilities, the people have not been aroused to quite the same degree of excitability as that which hunger, lack of coal and the general feeling of despair have produced in Germany.

The general causes of the housing difficulty are well known. They are partly economic and partly social, in nature. Let us consider first the economic causes. Before the war the yearly increase in the German population was about 800,000, involving a need for 200,000 dwellings. This demand was actually met each year. During the war practically no building was done, since all the material resources and all the energies of the country were directed toward military ends. Then came the crash and its consequences. It was now out of the question to meet the shortage of about one million dwellings by new constructions. In spite of the greatest efforts, only 30,000 dwellings could be put up in the year 1919. This situation represents not only a failure to meet the annual demand of 200,000 homes but also an actual addition of 170,000 to the shortage from previous years. In Berlin alone about 100,000 families are without their own homes, and of these about 22,000 are urgent cases requiring immediate relief. On the first of September there were about 200 available dwellings, a number of

which could not be occupied until extensive repairs had been made. In the meantime these thousands of people have been lodged in the most primitive and incredible manner in the homes of other persons—relatives, acquaintances, etc. Frequently from six to eight persons live in two-room apartments. Improvised beds are put up in the kitchens and in the halls. In summer even the balconies have been fitted up as sleeping places. Pregnant women are compelled to await their confinement in rooms which are still being occupied by other members of the family.

Housing officials are making every effort to divide large apartments and to provide so-called emergency dwellings. In old Berlin (not greater Berlin) 10 million marks have already been spent for this purpose, as a result of which 10,000 dwellings have been provided. But even here the cost has been so enormous and the difficulties so great that no fundamental improvement in the situation is to be expected. (Incidentally, it is to be noted that, according to the last big census, the number of apartments, five rooms or more, which in general are large enough to admit of division into smaller apartments, constitutes only three and one-half per cent of the whole number of dwellings.)

It is easy, however, to understand why there was so little building. While before the war the price of land sometimes proved an obstacle and often constituted the largest part of the cost, the situation today is quite

the reverse. In comparison with the tremendously increased prices of materials and wages, the price of land no longer plays any part. On the other hand, the lack of building material and its consequent increase in price is a decisive factor. Of the 18,000 brick-yards which were in operation in Germany before the war only 300 continued after the war. Because of the scarcity of coal, etc., many were closed entirely or were transformed for other purposes. By 1919 no cement could be secured except by smuggling. Most of the wood cut in Germany finds its way, through the "hole in the west," to France and, by way of Danzig, to England.¹ After the economic life had begun to revive a little, the Spa agreement, with its requirement of the delivery to France of two million tons of coal per month, put a stop to everything; a large number of industries had already ceased operation, and the prospects are that during the coming winter the housing situation will reach a crisis.

A further obstacle to building is to be found in the tenfold increase in the wages of the workmen. At the present prices for materials and labor it is impossible to build a house without fixing a prohibitive rental. A few figures will show how desperate the situation is. The rental values of all the dwellings in the empire amount to about six million marks. During the year 1919 alone a subsidy of much more than a billion marks was required from the imperial and provincial governments in order to build 30,000 dwellings, which at that time could still be built at much lower prices than would be possible at the present time. In order to provide for the irrecover-

able expenses involved in meeting the normal yearly requirement of 200,000 dwellings, six billion marks would be necessary, that is, the total amount of the rent for the whole year. In other words the state would have to levy a rental tax of 100 per cent upon the occupants who are already being burdened by property taxes, special war imposts and other excessively high taxes, since all the other sources of revenue are closed. The result would naturally be a corresponding increase in salaries, wages and prices and the lowering of all values; that is, the panic which even now is in process of development. The rent tax of only 15 per cent, which is just now under consideration by the government and which is already arousing bitter opposition, would bring in only 900 million marks. That is, at the most, the subsidy necessary for 25,000 dwellings, since about 40,000 marks are spent on one dwelling in order to offer it at a reasonable rent. It may be mentioned in passing that because of the lack of means even the most necessary repairs cannot be made, and many houses are becoming more and more dilapidated.

In the Ruhr coal district alone 180,000 new dwellings are needed in order to bring in enough miners to increase the output of coal. But the output of coal does not in itself help Germany, since she is compelled to send so much coal away that it is impossible to produce sufficient building materials (such as stone, cement, etc.). Likewise, because of the coal levy and the possible loss of Upper Silesia, the source of coal supply for Eastern Germany, the German industries are unable to operate and produce goods for foreign trade; nor can Germany import foodstuffs, raw materials or building materials, since all other means of securing foreign credit, such

¹ In general building costs are estimated to have increased fourteen-fold in Germany since the prewar period.

as a fleet, over-seas trade, colonies, etc., have been taken away from us.

Let us consider now the social causes of the crisis. In lay circles the question is often raised by way of objection, of how this great housing difficulty has come about, since the war has taken more than one and a half millions in the field and more than twice that number as a result of the blockade, undernourishment, diseases, etc. The question is easily answered. The demand for dwellings is not determined by the population figure but by the number of households. The number of marriages was large even at the beginning of the war as a result of the institution of war marriages, but after the war a veritable marriage epidemic set in. The hundreds of thousands of returning soldiers and prisoners wanted wives and children, and the economic stress accentuated this feeling. It was almost impossible for a bachelor to keep a servant. All the new families needed homes. The death (on the battlefield) of the father of a family did not, in most instances, break up the home. Not until recently has there been evidence that many families are being compelled to give up their individual homes and combine with other households.

Another factor is the very large emigration from the east and the west of Germany. Thousands of families of officials and soldiers had to leave Alsace-Lorraine at very short notice. In the occupied zone the Entent troops have confiscated a large number of dwellings and offices. The former occupants, regardless of age or sex or illness, have had to leave their homes very often within a few days. There was no thought of economy in providing quarters for the army of occupation. Naturally the effect upon the country has been very great, since many families are moving out of the

occupied territory. But the emigration from the former German territories, the present republic of Poland, Galicia, the Baltic provinces, is much more serious. There is a steady stream of immigration into Germany. The Jewish-Polish immigration alone into Berlin since the outbreak of the revolution has been estimated at from sixty to seventy thousand. Finally, the situation in Berlin has become still more serious because of the concentration there of officials (of government railroads, etc.), the establishment of new offices (commissioners of labor, welfare, finance, etc.), dozens of new emissaries, consulates, Entente emissaries with their families, involving a need for offices and homes.

An additional and noteworthy cause of the inadequate supply of new dwellings is to be found in the physical and mental change which has taken place in the German laborer. As a result of the long war and of undernourishment a general decrease in the labor output is to be noted in all fields of labor. The mason who before the war set 600 stones a day, working at piece rates, now sets only 360. The introduction of the Taylor system, which presupposes a well-nourished, willing group of workmen, is at the present time an impossibility in Germany. There is also the psychological factor that, since the revolution, the laborer in Germany, in spite of higher wages, no longer works with the same enthusiasm for the hated "capitalistic" management. In addition, the suffering due to the war was too severe, our final collapse too terrible and the socialistic propaganda too powerful for us to expect from the laborer as ready a response as formerly. This factor is of such importance as to demand serious consideration in the reforms to which we are now coming.

The political reforms which are

absolutely necessary in order to put a check upon excessive speculation are not to be discussed in this paper. Every intelligent person in Germany knows that no improvement is possible without a change in the land laws and the system of loans on real estate, without homesteads and tenure legislation, without restrictions upon rentals. (It may be noted that a bill to that effect is under discussion.) It is interesting to notice that certain building firms organized on socialistic principles, with a profit-sharing scheme, though with strict discipline and expert supervision, can point to an output equalling that of the prewar period.

The most important point, in any case, is to procure the enormous capital necessary. It is clear from what has been said that it can not be raised by new taxes. All that remains, therefore, is a foreign loan or a system of issuing mortgage certificates or mortgage bank notes with a low rate of interest and a legal tender paper currency which would be covered by the new buildings erected with the money; that is, a system of discounting future values. The idea is a practicable one but it requires new organization on a large scale. Also, the effect of such an enormous inflation of the currency upon our whole financial system is a matter of uncertainty.

The chief thing is, in any case, that means be rendered available, in one form or another and that private enterprise be stimulated toward new construction by adequate profits. After the war an extensive propaganda was started for owning one's own home, with a garden if possible. Attractive as this idea might be and however necessary it is that Germany do everything possible to thin out the population of the large cities and attract the people to the country in order to in-

crease the agricultural production and furnish an extensive home market for the products of her industries, Germany can not, for a long time, afford the luxury of a one-family house in the large cities. For that a well developed system of communication is necessary with frequent train service—things which are impossible in a country where coal is scarce. A three-story building correctly built from the hygienic standpoint and without the irregular ground floor construction (that is, not like the bad tenement houses in Berlin), might be the best type, in the future, for the large cities with their diminished populations, while in the country the one-family house of clay, stone, wood or substitute materials might be the rule.

One means of procuring several thousand dwellings quickly in our large cities is to be found in the building of sky-scrapers for offices, in which enterprise foreign capital could cooperate with reliable German capital. In the large cities, and especially in Berlin, there are thousands of government and private offices in houses which could easily be transformed again for dwelling purposes and in every respect would furnish better and more hygienic apartments than the modern scantily equipped emergency and temporary dwellings. A single large sky-scraper, which would admit of such offices as would leave apartments free, could restore hundreds, even thousands, under some circumstances, to their original purpose. In this way the cost per dwelling would be less and the rents could be fixed much higher than for dwellings. Such an office building, which, incidentally, might be an ornament on one of the beautiful squares, would contain 2,000 offices with an expenditure of 82 millions. That means, the single apartment which is vacated costs 40,000 marks.

For that sum, however, it would be impossible to provide a dwelling at a rent which occupants could afford. As has just been pointed out, the state has to grant an irrecoverable subsidy of 40,000 marks for one dwelling. The income from the rent is also guaranteed, for in these office buildings a rent of six and one-half per cent of the value can be counted upon, since the rents can be fixed at a much higher rate than that for dwellings. The

attempt has been made several times to fix up offices in barracks, but up to the present time the cost for even a small barracks was so great and the available space so small that this plan has been given up.

Until the problem of shelter, along with that of food, is settled in a manner which is at least to some extent satisfactory there can be no hope of an improvement in the political conditions of the country.